



Request for City Council Committee Action from the Department of Public Works

Date: November 7, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **2014 Street Construction, Street Renovation, Street Resurfacing and
Alley Resurfacing Uniform Assessment Rates**

Recommendation:

Passage of a Resolution establishing the 2014 street reconstruction, street renovation, street resurfacing and alley resurfacing Uniform Assessment Rates

Department Information:

Prepared by: Suzette Hjermstad, Supervisor, PW Special Assessment Office 673-2401
Bob Carlson, P.E., Principal Professional Engineer 673-3614
Don Elwood, P.E., Director, Transportation Planning & Engineering 673-3622

Approved by: _____

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Suzette Hjermstad

Financial Impact

- Action is within current department budget

Community Impact

- City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city

Supporting Information

Background

The City Council establishes yearly Uniform Assessment Rates (UAR) for Street Construction, Renovation, Resurfacing, and Alley Resurfacing projects. Newly constructed or reconstructed streets have an expected life of 40 years and are assessed over a 20 year term. Streets that are renovated have an expected life of 20 years and are assessed over a 10 year term (half the term of reconstructions). Streets that are resurfaced have an expected life of 10 years and are assessed over a 5 year term (half the term of renovation).

The UAR is established rather than using costs specific to each project because one project area might be more costly because of poor weather during construction or poor soil conditions or other factors. Public Works is recommending adoption of the UAR at this time so we are able to share rate information during the community involvement process for 2014 projects.

Street construction, Renovation and Resurfacing

The City's adopted policy is to assess 25% of the construction project cost to benefiting property owners. In implementing this policy, three baseline projects are used to calculate the UAR; two residential area projects to determine the residential UAR and one non-residential project to determine the non-residential UAR. The cost of the baseline projects were updated with the estimated 2014 unit prices for paving construction materials and related work. This process establishes what it would cost to construct those baseline projects in 2014 and the assessment rate needed to recover 25% of estimated 2013 project cost. Since the expected life of renovation and resurfacing projects is ½ and ¼ the expected life of a reconstruction project, respectively, the assessment rates are also set at ½ and ¼ the rate for reconstruction.

Alley Resurfacing

The current process for establishing the UAR for alley resurfacing projects are very similar to the above paving projects, however, instead of using baseline projects it is based on comparing actual costs for the previous year alley resurfacing projects to the approved UAR and determining if we are accomplishing the 25% assessment goal.

Proposed 2014 UAR

Public Works is proposing the following 2014 Uniform Assessment Rates.

Table 1 Proposed 2014 Uniform Assessment Rates

Improvement Category	Benefited Parcel Category	2014	2013	2012	2011
		Proposed Rate per sq ft	Approved Assessment Rate	Approved Assessment Rate	Approved Assessment Rate
Construction	Non-Residential	\$2.39	\$2.39	\$2.21	\$2.05
Construction	Residential	\$0.80	\$0.80	\$0.77	\$0.77
Renovation	Non-Residential	\$1.20	\$1.20	\$1.11	\$1.03
Renovation	Residential	\$0.40	\$0.40	\$0.39	\$0.39
Resurfacing	Non-Residential	\$0.60	\$0.60	\$0.56	\$0.52
Resurfacing	Residential	\$0.20	\$0.20	\$0.20	\$0.20
Alley Resurfacing	Non-Residential Residential	\$0.065	\$0.065	\$0.065	\$0.065

Cc: Jack Qvale, Secretary, Board of Estimate and Taxation

ATTACHMENT #1

Potential Assessment for Average City Lot

The potential assessments for an average size lot (40' x 125' or 5,000 sq ft) using the proposed 2014 uniform assessment rate is:

<u>Non-Residential</u>	<u>Residential</u>
Construction (Assessed over 20 yrs) @ \$2.39/ sq ft = \$11,950	@\$.80/sq ft =\$4,000
Renovation (Assessed over 10 yr) @ \$1.20/sq ft = \$6,000	@ \$.40/sq ft=\$2,000
Resurfacing (Assessed over 5 yr) @ \$.60/sq ft = \$3,000	@\$.20/sq ft =\$1,000
Alley Resurfacing (Assessed over 5 yr) @ \$.065/sq ft = \$325	@ \$.065/sq ft =\$325

Definitions:

Construction: street paving, curb and gutter and other street paving related improvements.

Renovation: mill and overlay of street surface and selected curb and gutter and street construction as needed.

Resurfacing: mill and overlay of street/alley surface only.

T&PW – Your Committee recommends passage of the accompanying Resolution establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley resurfacing improvements for the 2014 calendar year.

Your Committee further recommends summary publications of the above-described Resolution.

Colvin Roy

Establishing uniform assessment rates for street construction, street renovation, street resurfacing and alley resurfacing improvements for the 2014 calendar year.

Whereas, the City Council adopted a policy on October 31, 1980 establishing yearly uniform assessment rates for similar improvements at various locations; and

Whereas, the City Council adopted assessment policies on May 22, 1998, June 12, 1998 and December 12, 2008 relating to residential and non-residential properties and relating to Local and Other streets;

Whereas, the City Council adopted a policy on February 15, 2008 establishing the street resurfacing program and assessment policy relating to residential and non-residential properties;

Whereas, the City Engineer has submitted the recommended 2014 Uniform Assessment Rates, all as contained in Petn No _____ on file in the Office of the City Clerk;

Now, Therefore, Be It Resolved by The City Council of the City of Minneapolis;

That the following rates are hereby established as the 2014 uniform assessment rates and are to be applied in determining the assessments for the benefited parcels for certain types of work to be constructed in the 2014 calendar year:

Construction (street paving, curb and gutter and other street paving related improvements) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street:

\$2.39/sq ft – Non-Residential;

\$0.80/sq ft – Residential;

Renovation (mill and overlay of street surface and selected curb and gutter and street construction as needed) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street:

\$1.20/sq ft – Non-Residential;

\$0.40/sq ft – Residential;

Resurfacing (mill and overlay of street surface only) – appropriate rate is applied to the land area of benefited parcels located within the street influence zone along the improved street.

\$0.60 – Non-Residential;

\$0.20 – Residential;

Alley Resurfacing (overlay concrete alleys with bituminous materials) – appropriate rate is applied to the land area of benefited parcels abutting the alley being improved.

\$0.065 – Non-Residential and Residential.